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Jun 6, 2000

DEPARTMENT OF LIVESTOCK



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STATE OF MONTANA

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BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

STATE DOCUMENTS COLLECTION

JUN 16 2000

MONTANA STATE LIB
1515 E. 6th AVE
HELENA, MONTANA 59620

PUBLISHED: JUN 6, 2000
EFFECTIVE: JUL 1, 2000
12:01 a.m.

PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

CLASS I PRICE FOR MILK TESTING 3.5%	\$	14.25 /CWT
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EFFECTIVE JULY 1, 2000:

The minimum price to pay milk producers, under ARM 32.24.301, is \$ 14.25 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 12.5 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.25.

CLASS I BUTTERFAT PRICE PER POUND	\$1.25 /LB
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PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

CLASS II PRICE FOR MILK TESTING 3.5%	\$12.54 /CWT
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Average spray process dry milk solids

price per pound = \$1.01500

Multiplied by 8.2 x 8.2

\$8.32300

PLUS +

Last quote of the month for Grade AA butter

minus a differential of \$.0895 = \$1.28050

Multiplied by 4.2 x 4.2

\$5.37810

LESS a make allowance of 8.5% (\$13.7011 X .085)

Rounded to the nearest whole cent = \$12.54 /hundredweight.

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\$8.32300

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\$5.37810

\$13.70110

\$1.16459

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\$12.53651

EFF: JULY 1, 2000

CLASS II BUTTERFAT PRICE PER POUND**\$1.42 /LB**

Last quote of the month for Grade AA butter

minus a differential of \$.0895

= \$1.28050 X .111)

=

\$0.14214

Rounded to the nearest half cent

=

\$0.142

CLASS II VALUE OF ONE POUND OF SKIM**\$0.07845 /LB**

Butterfat value per pound

\$1.42

for milk at 3.5% test:

Hundredweight price of milk testing 3.5%

LESS 3.5 pounds of butterfat at

\$1.42 per pound

=

\$12.54

-

\$4.970

Value of 96.5 pounds of skim

=

\$7.570

Value of one pound of skim

7.570 / 96.5 pounds)

=

\$0.07845 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS III BUTTERFAT PRICE PER POUND**\$1.15 /LB**

Last quote of the month for Grade AA butter

minus a difference of \$.0895

=

\$1.28050

LESS 10%

\$0.12805

\$1.15245

Rounded to the nearest whole cent

\$1.15 per pound.

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$6.90809 /CWT**

Avg. spray process dry milk solid price/lb

\$1.01500

Multiplied by 8.2

8.2

\$8.32300

LESS 17%

\$1.41491

\$6.90809

Rounded to the nearest whole cent

\$6.91 per hundredweight.

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$10.69 /CWT**

3.5 pounds of butterfat

\$1.15 per pound =

\$4.025

96.5 pounds of skim

\$0.06908 per pound =

\$6.666

BY ORDER OF THE MONTANA MILK CONTROL BUREAU**\$10.691 /CWT**

Compiled by:

Marlys M. Mattfeldt
 Marlys M. Mattfeldt, Bureau Chief
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$ 14.25 FOR 3.5% MILK 96.5 LBS = \$9.875		CLASS II SKIM PRICE BASED ON \$12.54 FOR 3.5% MILK 96.5 LBS = \$7.570		CLASS III SKIM PRICE BASED ON \$10.69 FOR 3.5% MILK 96.5 LBS = \$6.666	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.10128	2.50	\$0.07764	2.50	\$0.06837
2.55	\$0.10133	2.55	\$0.07768	2.55	\$0.06841
2.60	\$0.10139	2.60	\$0.07772	2.60	\$0.06844
2.65	\$0.10144	2.65	\$0.07776	2.65	\$0.06848
2.70	\$0.10149	2.70	\$0.07780	2.70	\$0.06851
2.75	\$0.10154	2.75	\$0.07784	2.75	\$0.06855
2.80	\$0.10159	2.80	\$0.07788	2.80	\$0.06858
2.85	\$0.10165	2.85	\$0.07792	2.85	\$0.06862
2.90	\$0.10170	2.90	\$0.07796	2.90	\$0.06865
2.95	\$0.10175	2.95	\$0.07800	2.95	\$0.06869
3.00	\$0.10180	3.00	\$0.07804	3.00	\$0.06872
3.05	\$0.10186	3.05	\$0.07808	3.05	\$0.06876
3.10	\$0.10191	3.10	\$0.07812	3.10	\$0.06880
3.15	\$0.10196	3.15	\$0.07816	3.15	\$0.06883
3.20	\$0.10201	3.20	\$0.07820	3.20	\$0.06887
3.25	\$0.10207	3.25	\$0.07824	3.25	\$0.06890
3.30	\$0.10212	3.30	\$0.07828	3.30	\$0.06894
3.35	\$0.10217	3.35	\$0.07832	3.35	\$0.06897
3.40	\$0.10223	3.40	\$0.07836	3.40	\$0.06901
3.45	\$0.10228	3.45	\$0.07840	3.45	\$0.06905
3.50	\$0.10233	3.50	\$0.07845	3.50	\$0.06908
3.55	\$0.10238	3.55	\$0.07849	3.55	\$0.06912
3.60	\$0.10244	3.60	\$0.07853	3.60	\$0.06915
3.65	\$0.10249	3.65	\$0.07857	3.65	\$0.06919
3.70	\$0.10254	3.70	\$0.07861	3.70	\$0.06922
3.75	\$0.10260	3.75	\$0.07865	3.75	\$0.06926
3.80	\$0.10265	3.80	\$0.07869	3.80	\$0.06930
3.85	\$0.10270	3.85	\$0.07873	3.85	\$0.06933
3.90	\$0.10276	3.90	\$0.07877	3.90	\$0.06937
3.95	\$0.10281	3.95	\$0.07881	3.95	\$0.06940
4.00	\$0.10286	4.00	\$0.07885	4.00	\$0.06944
4.05	\$0.10292	4.05	\$0.07890	4.05	\$0.06948
4.10	\$0.10297	4.10	\$0.07894	4.10	\$0.06951
4.15	\$0.10303	4.15	\$0.07898	4.15	\$0.06955
4.20	\$0.10308	4.20	\$0.07902	4.20	\$0.06959
4.25	\$0.10313	4.25	\$0.07906	4.25	\$0.06962
4.30	\$0.10319	4.30	\$0.07910	4.30	\$0.06966
4.35	\$0.10324	4.35	\$0.07914	4.35	\$0.06969
4.40	\$0.10329	4.40	\$0.07918	4.40	\$0.06973
4.45	\$0.10335	4.45	\$0.07923	4.45	\$0.06977
4.50	\$0.10340	4.50	\$0.07927	4.50	\$0.06980

JULY 1, 2000

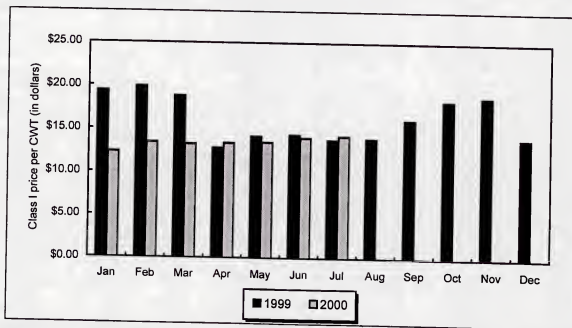
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 1999 and 2000

Statistics from the Montana Milk Control Bureau

Month	1999	2000	Difference	% Change
January	\$19.39	\$12.34	(\$7.05)	-36.36%
February	\$19.89	\$13.45	(\$6.44)	-32.38%
March	\$18.82	\$13.26	(\$5.56)	-29.54%
April	\$12.82	\$13.39	\$0.57	4.45%
May	\$14.17	\$13.48	(\$0.69)	-4.87%
June	\$14.36	\$14.03	(\$0.33)	-2.30%
July	\$13.81	\$14.25	\$0.44	3.19%
August	\$13.97			
September	\$16.14			
October	\$18.34			
November	\$18.81			
December	<u>\$14.04</u>			
Average	\$16.21	\$13.46	(\$2.72)	-13.97%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

April 2000: class I = \$9.50; class II = \$1.24; Class III = \$1.66; total = \$12.40

(calculations based upon utilization percentages of butterfat & skim)